

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Thornapple Area Parks Commission	County Barry
Fiscal Year End June 30, 2006	Opinion Date December 20, 2006	Date Audit Report Submitted to State March 1, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☒ The local unit has adopted a budget for all required funds.
5. ☐ ☒ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	Not considered necessary	
Other (Describe)	<input type="checkbox"/>	No other documents required	
Certified Public Accountant (Firm Name) Siegfried Crandall, PC		Telephone Number 269-381-4970	
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
Zip 49002			
Authorizing CPA Signature 	Printed Name Daniel L. Veldhuizen, CPA		License Number 1101020724

*Thornapple Area Parks and Recreation Commission
Barry County, Michigan*

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Year ended June 30, 2006

CONTENTS

	<i>Page</i>
INDEPENDENT AUDITORS' REPORT	3
BASIC FINANCIAL STATEMENTS	
Statement of net assets	4
Statement of activities	5
Notes to financial statements	6 - 7
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule	8

INDEPENDENT AUDITORS' REPORT

**Members of the Board
Thornapple Area Parks and Recreation Commission**

We have audited the accompanying financial statements of the Thornapple Area Parks and Recreation Commission as of and for the year ended June 30, 2006, which collectively comprise the Commission's basic financial statements as listed in the contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Thornapple Area Parks and Recreation Commission as of June 30, 2006, and the change in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

The budgetary comparison schedule is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Thornapple Area Parks and Recreation Commission has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Siegfried Crandall P.C.

December 20, 2006

BASIC FINANCIAL STATEMENTS

Thornapple Area Parks and Recreation Commission

STATEMENT OF NET ASSETS

June 30, 2006

ASSETS

Cash	\$ 42,210
Prepaid insurance	<u>3,540</u>
Total assets	<u>45,750</u>

LIABILITIES

Accounts payable	8,780
Deferred revenues	<u>5,000</u>
Total liabilities	<u>13,780</u>

NET ASSETS - UNRESTRICTED	<u>\$ 31,970</u>
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See notes to financial statements

Thornapple Area Parks and Recreation Commission

STATEMENT OF ACTIVITIES

Year ended June 30, 2006

EXPENSES

Culture and recreation	\$ 35,507
Contribution to local unit - park improvements	<u>2,415</u>
Total expenses	<u>37,922</u>

PROGRAM REVENUES

Charges for services - recreation fees	23,167
Contributions from local units	9,000
Other	<u>4,507</u>
Total program revenues	<u>36,674</u>

CHANGE IN NET ASSETS (1,248)

NET ASSETS - BEGINNING 33,218

NET ASSETS - ENDING \$ 31,970

See notes to financial statements

Thornapple Area Parks and Recreation Commission
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Thornapple Area Parks and Recreation Commission (the Commission) conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Commission. The criteria established by GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Commission has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Commission's financial statements. Also, the Commission is not a component unit of any other entity.

These financial statements include all the operations of the Commission, a municipal joint venture. The Commission was created in February 2000, by an agreement entered into by the Village of Middleville, the Township of Thornapple, and Thornapple Kellogg Schools. The Commission plans, operates, and provides park and recreational programs and services for the citizens of its member municipal units. Costs of operations and park improvement expenditures are supported by contributions from the member units. Each member unit is required to make a minimum annual contribution of \$3,000. The Commission does not hold title to any capital assets. All capital assets used by the Commission belong to the participating member municipal units. Capital expenditures, if any, are reported as "contributions to local units - park improvements."

b) Basis of accounting:

The statement of net assets and the statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by provider have been met.

c) Assets and liabilities:

i) Cash - Cash is considered to be cash on hand and demand deposits.

ii) Deferred revenues - The Commission defers revenue recognition in connection with resources that have been received, but not yet earned.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - The Commission did not adopt a budget as required by P.A. 621 of 1978, Section 16.

Thornapple Area Parks and Recreation Commission
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH:

Deposits are carried at cost and are maintained at one financial institution in the name of the Commission. Michigan state statutes and the Commission's investment policy authorize the Commission to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Commission's deposits are in accordance with statutory authority.

At June 30, 2006, the Commission has deposits with a carrying amount of \$42,210 and a bank balance of \$43,337. The bank balance is covered by federal depository insurance.

NOTE 4 - RISK MANAGEMENT:

The Commission is exposed to various risks of loss related to property loss and errors and omissions. The Commission has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

Thornapple Area Parks and Recreation Commission**BUDGETARY COMPARISON SCHEDULE**

Year ended June 30, 2006

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Contributions from local units	\$ -	\$ -	\$ 9,000	\$ 9,000
Charges for services - recreation fees	-	-	23,167	23,167
Interest	-	-	313	313
Other:				
United Way grant	-	-	4,000	4,000
Miscellaneous	-	-	194	194
	<u>-</u>	<u>-</u>	<u>36,674</u>	<u>36,674</u>
Total revenues	<u>-</u>	<u>-</u>	<u>36,674</u>	<u>36,674</u>
EXPENDITURES				
Culture and recreation	-	-	35,507	(35,507)
Contribution to other unit - park improvements	-	-	2,415	(2,415)
	<u>-</u>	<u>-</u>	<u>37,922</u>	<u>(37,922)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>37,922</u>	<u>(37,922)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	(1,248)	(1,248)
FUND BALANCES - BEGINNING	<u>33,218</u>	<u>33,218</u>	<u>33,218</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 33,218</u>	<u>\$ 33,218</u>	<u>\$ 31,970</u>	<u>\$ (1,248)</u>